

THE PROSPECTUS GROUP INC.
246 Queen Street, 4th Floor
Ottawa, Ontario
K1P 5E4

March 27, 2002

ALBERTA SECURITIES COMMISSION
CONTINUOUS DISCLOSURE
20th Floor, 10025 Jasper Avenue
Edmonton, Alberta
T5K 3Z5
Attention: Executive Director

ONTARIO SECURITIES COMMISSION
CONTINUOUS DISCLOSURE
Box 55
Toronto, Ontario
M5H 3S8
Attention: Executive Director

BRITISH COLUMBIA SECURITIES
COMMISSION
STATUTORY FILINGS
Suite 200, 865 Hornby Street
Vancouver, British Columbia
V6Z 2H4
Attention: Executive Director

Dear Sirs:

Re: The Prospectus Group Inc. (the “Corporation” or “Prospectus”) Material Change Report Under Section 146(1) of the *Securities Act* (Alberta), Section 75(2) of the *Securities Act* (Ontario), and Section 85(1) of the *Securities Act* (British Columbia)

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of the Corporation. For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta), Form 27 of the *Securities Act* (Ontario) and Form 27 of the *Securities Act* (British Columbia). Concurrent with this filing, this letter is being filed with the Canadian Venture Exchange Inc., being the only exchange on which the Corporation's shares are currently listed.

Item 1 - Reporting Issuer

The Prospectus Group Inc.
246 Queen Street, 4th Floor
Ottawa, Ontario
K1P 5E4
Tel: (613) 232-1588
Fax: (613) 232-1453

Item 2 - Date of Material Change

March 27, 2002

Item 3 - News Release

A press release announcing the closing of the private placement will be issued on or around March 27, 2002.

